

LOUISIANA AGRICULTURAL FINANCE AUTHORITY (LAFA)

MINUTES

March 23, 2012

10:00 AM

Veterans Memorial Auditorium

5825 Florida Boulevard

Baton Rouge, LA 70806

**CALL TO ORDER**

The meeting was called to order by the Chairman, Louisiana Department of Agriculture and Forestry (LDAF) Commissioner Mike Strain at 10:07 A.M.

**ROLL CALL**

The roll was called by Melanie Tullier.

**Present:** Commissioner Strain, Ted Gauthier, William "Skip" Hawkins, Jerry Hunter, Richard Muller, and H. Marcell Parker, Jr.

**Absent:** Linda Zaunbrecher

Mrs. Tullier stated six members were present and there was a quorum.

**Others Present:** René Simon, LDAF; Dane Morgan, LDAF; Pete Rudesill, LDAF; Melanie Tullier, LDAF; Melanie Barnett, LDAF; Corinne Brousseau, LDAF; Yolanda Dupuy, LDAF; Tabitha Gray, LDAF Executive Counsel; John Litchfield, Berrigan Litchfield Schonekas Mann Traina LLC; Luis Santacoloma, Lake Charles Cane LLC; Mario Cortes, Lake Charles Cane LLC; Mauricio Santacoloma; Lake Charles Cane LLC; Charles Wendt, Legislative Auditor's Office; Zane Konvicka, Legislative Auditor's Office; Dan Daigle, Legislative Auditor's Office; Gary Duty, Legislative Auditor's Office; Beth Zeigler, Whitney Bank; Boyd Boudreaux, President/CEO of Jefferson Davis Parish Bank; Xerxes Wilson, Manship News Service; Michelle Millhollon; Advocate; Travis Spralins, Advocate; George Freeman

**PUBLIC COMMENTS**

There were no public comments.

**APPROVAL OF MINUTES FROM PREVIOUS MEETING**

Commissioner Strain asked the Authority members to review the minutes from the November 3, 2011, meeting.

**Motion:** A motion was made by Mr. Parker to approve the minutes from the November 3, 2011, meeting. It was second by Mr. Gauthier and passed unanimously.

Commissioner Strain asked the Authority members to review the minutes from the January 6, 2012, meeting.

**Motion:** A motion was made by Mr. Hawkins to approve the minutes from the January 6, 2012, meeting. It was second by Mr. Muller and passed unanimously.

### **REVIEW OF FINANCIAL STATEMENTS**

Commissioner Strain, Ms. Brousseau, Mrs. Dupuy and Mr. Simon reviewed LAFA's Financial Statements and answered the members' questions regarding fund balances.

**Motion:** A motion was made by Mr. Muller to accept the Financial Statements. It was seconded by Mr. Hunter and passed unanimously.

### **COMMISSIONER'S REPORT**

- Commissioner Strain, Mr. Simon, and Mrs. Barnett gave an update on the Louisiana Farm and Agribusiness Loan and Grant Recovery Programs, and LAFA/Louisiana Department of Wildlife and Fisheries' Grant program that LAFA is administering. Commissioner Strain stated that he would like to publically thank the Governor and OCD for the work each office has put into the programs.
- Mr. Simon updated the members on the status of the hardening of the main building. FEMA has granted LAFA 4.1 million dollars to complete the roof hardening project and the work on the Food Distribution Warehouse.
- Mr. Rudesill updated the members that we are currently waiting on the Rapides Parish Board of Health to approve the plans for the Indian Creek Recreation Area sewerage upgrade.
- Mr. Simon updated the board on South Louisiana Rail Facility's current status. They have started construction on the rail loading facility, and hope to be in the new facility in mid-June.
- Mr. Simon updated the members on the ongoing discussions with Canal Refining's regarding their lease proposal.

A motion was made by Mr. Hawkins to accept the Commissioner's Report. The motion was seconded by Mr. Parker and passed unanimously with no comments.

## **OLD BUSINESS**

### **Discussion and strategy on the pending lawsuit involving LAFA**

Texans Credit Union v. LDAF, Louisiana 19<sup>th</sup> JDC, East Baton Rouge Parish, Docket No. 583476

Commissioner Strain, Mr. Simon, and Mr. Litchfield updated the board on the current status of the case. The case will be going to trial April 2, 2012, to hear the motion for summary judgment which LAFA is contesting.

### **Lake Charles Cane, LLC's Request to Renegotiate Payment Terms of Purchase of Syrup Mill**

Following a discussion by the members, a motion was made by Mr. Parker to defer action on the renegotiation of payment terms. The motion was seconded by Mr. Hunter and passed unanimously.

## **NEW BUSINESS**

### **Lake Charles Cane, LLC's Failure to make Payment to Hancock Bank/Merrill Lynch to which LAFA is the Guarantor**

A motion was made by Mr. Muller to move into executive session. A roll call vote was held and the motion was unanimously passed. Executive session went into effect at 11:30 A.M.

A motion was made by Mr. Muller to move out of executive session. It was seconded by Mr. Parker and approved unanimously.

After discussion with legal counsel, based on the agreement that was reached at a previous meeting, LAFA would consider renegotiations if all creditors were made current by Lake Charles Cane, LLC. All creditors are not current, and therefore Lake Charles Cane, LLC, is in default. LAFA requested that Lake Charles Cane, LLC, immediately make current all creditors, Jeff Davis Bank, Merrill-Lynch, and LAFA.

A motion was made by Mr. Hawkins to grant the Commissioner authority to bring current all notes owed, and to make the necessary payment to creditors to protect LAFA's interest in the syrup mill. Also, to give Commissioner Strain the authority to negotiate with creditors and any other related parties as necessary. It was seconded by Mr. Muller and passed unanimously.

A motion was made by Commissioner Strain to give him the authority to allow with Adams & Reese the ability to proceed with negotiations with existing creditors and pursue options to finance the obligations and make good on the guarantee. The motion was seconded by Mr. Parker and passed unanimously with no public comments. Mr. Muller added that he would like for this action to proceed as quickly as possible.

**Lacassine Industrial Park – Crossover and Rail Spur**

Following a discussion by the members, a motion was made by Mr. Hawkins to give Commissioner Strain the authority to proceed with the rail spur based on the engineering estimate done by Meyer & Associates, Inc. The motion was seconded by Mr. Gauthier and passed unanimously.

**ADJOURNMENT**

A motion was made by Mr. Hunter to adjourn the meeting. It was seconded by Mr. Gauthier and approved unanimously.

FINAL